

# CORPORATE BOARD MINUTES:

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## A Director's Guide

A publication of the National Association of  
Corporate Directors and its Strategic Content Partners

Heidrick & Struggles International, Inc.

KPMG's Audit Committee Institute

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# Special Thanks

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We would also like to extend a very special thanks to the large multinational company that provided the minutes examples that helped bring this document to life. Without the support from this company's board and executive staff, this document would not have been created.

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# Introduction

Corporate board minutes are required by corporate law in many states, including Delaware, but they also serve as an invaluable tool to help boards and company management keep track of board decisions. When these decisions come into question, minutes can provide a wealth of information for litigants both offensive and defensive. For these reasons, ensuring the accuracy and thoroughness of board minutes is a critical board function.

Although directors do not prepare minutes, they are responsible for their content. Despite the great importance minutes serve for an organization, there are few formal rules mandating their format. Nearly every corporate law firm has some form of guidance for counsel regarding the preparation of minutes, but this advice may vary. Differing perspectives on the subject have evolved over time and led to some confusion as to how to adequately represent the proceedings of the board meeting. Some groups emphasize “short form” minutes that are little more than a detailed agenda, while others recommend “long form” minutes that are much more detailed. While the exact recommendations may differ, it is important to understand why minutes are written, by whom they are read, and how they are used after they are approved. Many legal battles have been won or lost based solely on the evidence, or lack thereof, found in corporate minutes.

The National Association of Corporate Directors, with help from the Society of Corporate Secretaries and Governance Professionals, studied the recommendations on corporate minutes preparation from leading organizations in the governance field. We compiled the recommendations and discovered several basic tenets that form a framework to guide a director’s assessment of minutes.

This document contains many examples to demonstrate some of the outlined fundamentals. These examples were provided from the actual corporate minutes of a large multinational organization, whose assistance enabled the production of this report. Each real-life example has been “cleansed” as a precaution due to the sensitivity of the information.

# The Framework

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There are no specific rules to follow in the creation of board minutes. There are, however, some basic agreed-upon characteristics. This report has examined the common characteristics and condensed them into five fundamentals. These fundamentals should serve as a framework to review, interpret, and eventually approve board minutes.

It is important to remember that this document is not merely a checklist of things to look for in board minutes. Rather, the five fundamentals listed on the following pages are a starting point and offer the bare minimum of what these minutes should be. Directors have a real duty to their organizations by overseeing managers and probing the robustness of their strategies, and minutes should reflect this critical review. As such, boards should not fear “beefing up” minutes with detail from meetings if they are doing their jobs competently.

# Fundamental I: Tell the Story

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The primary purpose of minutes is to present a clear record of board or committee action taken. Minutes should be reasonably comprehensive and detailed as to action taken and discussion about such action. Directors must remember that when reviewing minutes: if an action is not reported in the minutes, for legal purposes, it will be difficult to establish that it happened. Courts will assume that an issue was not discussed or debated if the minutes do not reflect it. Thus, directors may lose the protections of the business judgment rule and could be held liable for violations of their fiduciary duties solely based on inaccurate or incomplete minutes. Therefore, minutes should reflect all decisions made, and should at least signal discussion of other topics addressed in the boardroom.

## EXAMPLE

### Committee Chair Rotation

Mrs. \_\_\_\_\_ noted that the Committee had discussed rotation of the Chair of the Committee \_\_\_\_\_ and recommended that the Board appoint \_\_\_\_\_ as Chair. After discussion and upon motion duly made and seconded, it was unanimously

VOTED: That \_\_\_\_\_ is hereby designated to serve as Chair of the Committee \_\_\_\_\_ of the Board of Directors of this Company effective \_\_\_\_\_ and until \_\_\_\_\_ successor is duly designated, unless this Board shall otherwise order.

In addition to recording action taken, the minutes must indicate what documents and materials were presented in advance to the board, and what was presented at the meeting. A record of these materials must be retained with the minutes or references to these materials should appear in the minutes such that the materials can be identified at a later date.

## EXAMPLE

Mr. \_\_\_\_\_ provided the Committee with an update on the Company's recently implemented \_\_\_\_\_ program. Next, he noted that a report on the 2012 employee and retiree benefit program design had been provided in advance of the meeting. Mr. \_\_\_\_\_ pointed out that the materials sent in advance of the meeting included reports on: the fees of the Committee's outside compensation consultant, \_\_\_\_\_ the Company's \_\_\_\_\_ Program for 2011; and \_\_\_\_\_.

# Fundamental II: Demonstrate Director Debate

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Every boardroom discussion should be captured and noted in the board minutes. But this does not mean that every discussion should be treated in the same way. Important discussion topics should receive more emphasis than others that are routine or “housekeeping” items, such as setting an annual meeting date, declaring a regular quarterly dividend, approving an honorary resolution for a retiring member, or approving prior minutes. Important or unusual items, such as a merger, acquisition or other significant transaction, or strategic plan or budget approval, therefore may take up more “real estate” on the page as various aspects of the discussion are captured. The minutes should demonstrate the deliberate debate directors have concerning critical issues. Most importantly, it shows that directors are exercising their fiduciary duties, thus availing themselves of protections under the law.

## EXAMPLE

### Strategic Plan Update \_\_\_\_\_

Referring to materials provided in advance of the meeting, Mr. \_\_\_\_\_ reminded the Board that management would be providing periodic targeted updates on the 2012 to 2014 enterprise strategic plan. He noted that \_\_\_\_\_, head of the Company’s \_\_\_\_\_ business, was present at the meeting to discuss the Company’s \_\_\_\_\_ strategy and goals.

Mr. \_\_\_\_\_ began the discussion by describing the strategic objective of becoming the \_\_\_\_\_ by strengthening and growing the \_\_\_\_\_ business overall; developing \_\_\_\_\_; and pursuing \_\_\_\_\_.

Next, Mr. \_\_\_\_\_ provided a summary of 2011 accomplishments for the \_\_\_\_\_ business, key learnings and business implications for the future. He reviewed targeted geographic markets and key 2012 priorities. Mr. \_\_\_\_\_ also discussed talent needs and the timeline for developing talent for this business segment.

Throughout the discussion, Mr. \_\_\_\_\_, Mr. \_\_\_\_\_ and other members of management responded to various questions from the Directors.

In other cases, the meeting secretary may provide a brief summary of the points covered, and then indicate that the board assented to the action described, or acknowledged that it received a certain report, as might be the case with a new policy approval, an enterprise risk management program report, or other compliance report.

Several court cases have emphasized the need for minutes to reflect the amount of discourse on a topic. The final outcome of the long-running Disney case is particularly helpful to illustrate this point. In 1995, the Walt Disney Company hired Michael Ovitz as CEO. The following year, Ovitz was terminated and given a severance payout valued at approximately \$130 million. Shareholders then brought a derivative action against the board alleging a breach of fiduciary duties in approving of the \$130 million pay package. Shareholders managed to survive a motion to dismiss based partly on the judge's finding that neither the compensation committee nor the board minutes showed adequate consideration of the hiring and compensation of Ovitz. The compensation committee meeting was brief, and the court found that "all that occurred during the meeting regarding Ovitz's employment was [one of the members] reviewed the employment terms with the committee and answered a few questions."

The board minutes did not include a compensation committee report, and had only a page and a half describing the discussion over the hiring of Ovitz—this without much detail. Ultimately, thanks to verbal testimony, the directors were found to have exercised their fiduciary duties but not without a biting critique from the court. Writing for the Delaware Supreme Court, Justice Jack B. Jacobs wrote (citing the lower Chancery court) that the actions of the board members "did not fall below the level required for a proper exercise of due care, it did fall short of what best practices would have counseled."<sup>1</sup>

This case serves as a reminder to increase the level of detail when describing a critical board decision; this includes questions raised, and materials provided and reviewed. Additionally, the Disney case points out that good corporate minutes include a board's "informational and decision making process."<sup>2</sup>

# Fundamental III: Don't Name Names

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As mentioned above, minutes must be accurate and thorough, but they should not be a transcript of the meeting. Rather, the narrative should paraphrase or summarize debate and/or questions by the board as a whole. Boards most often act by consensus; therefore, minutes should not note the specific words used by a speaker or identify a particular director, except in the rare case where the director asks to be specifically identified. The goal should be to capture the discussion and show that several (or many) directors weighed in or asked questions of management without giving a “play by play” description. Excluding specific names or statements also serves to prevent liability from falling on a single person.

## EXAMPLE

### Financial Update

Referring to materials distributed to the Directors at the meeting, Mr. \_\_\_\_\_ discussed key performance measures for the Company and its various business segments, comparing preliminary results for the quarter and year ended December 31, 2011, to planned results and competitive benchmarks, and commenting on significant financial metrics and variances. Mr. \_\_\_\_\_ and other members of management then responded to questions and comments from Directors.

Names of directors may be appropriately included in certain instances. Presenters to the board or persons leading discussions in committee meetings can and should be identified. For example, a name may be included when a committee chairman makes a report, or if a board chairman or lead or presiding director is chairing a session or making a report.

## EXAMPLE

### Director Candidates

Ms. \_\_\_\_\_ updated the Committee on recent meetings between members of the Board and a potential Director candidate. It was agreed to defer further consideration of the candidate at this time. The Committee then discussed the criteria for potential candidates and discussed a process for enhancing the current candidate list. It was noted during the discussion that the current size and skill mix of the Board is appropriate.

Director names may also be revealed in the cases of recusal or vote objection. Minutes should identify an individual if he or she abstains from a vote due to a conflict of interest. Additionally, minutes should note the individuals who dissented to a vote. In both instances, acknowledgment that a particular individual has a conflict of interest or has dissented in a vote will suffice in the minutes; inclusion of the director's motives for his or her action is unnecessary.

# Fundamental IV: Risks, Alternatives, and Exit Strategies

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Demonstrating that directors engaged in a thoughtful and deliberate debate on issues is one of the most important functions of the minutes.<sup>3</sup> Boards can more easily claim protections of the business judgment rule by showing that they constructively engaged on an issue. In addition, it serves to help some members recall previous issues or conversations.

There are at least three things to look for while reviewing minutes: (1) do the minutes portray the risks raised relative to the particular action at issue during the debate?; (2) were any alternatives discussed, and if so, what was decided?; and (3) were any exit strategies contemplated or discussed in the event the action is not successful? Finally, the minutes should demonstrate that the action being discussed is in the best interest of the company. The absence of any of these types of discussions should be a red flag.

# Fundamental V: Read and Correct

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Directors have the responsibility to ensure that board minutes are correct; and directors have final say over their content. Prior to a formal vote to approve minutes, every director should have the opportunity to review them, and provide any necessary corrections. It is important that this obligation is taken seriously, including for the reason that minutes will be produced in the context of litigation.

Directors should receive a draft copy of minutes in advance of the meeting at which they will be approved. Typically draft minutes come from the corporate secretary, after internal review by designated management at the company. Practices concerning who reviews the minutes prior to distribution to the board will vary. At some companies, minutes are prepared by the corporate secretary and reviewed by the CEO, then sent to the presiding or lead director, or chairman (if other than the CEO). Still others may circulate the draft minutes to a broader management group for review, such as to senior managers who presented at a particular meeting.

The timing of distribution is important. The material from meetings needs to be fresh in the mind of directors so they can review the information with a clear recollection. Directors should understand that their comments are expected and that they may provide them to the corporate secretary before the next board meeting or during the next meeting when the minutes are considered for approval.

Upon final approval of the minutes, the corporate secretary must retain a copy as a permanent record of the organization.

# Conclusion

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Corporate board minutes serve an important function for corporations. They satisfy legal obligations and can offer important protections to dedicated directors. Board members must recognize that reviewing and approving minutes may not seem as important or exciting as their other responsibilities but it is a crucial responsibility.

The five-point framework presented in this document allows a director to quickly assess the appropriateness of minutes and notice any red flags.

# Appendix A:

## Full Board Meeting Minutes

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The regularly scheduled meeting of the Board of Directors of [REDACTED] was convened at 9:00 a.m. on Friday, [REDACTED] 2012 at the Company's offices located at [REDACTED].

The following Directors were present: [REDACTED]  
[REDACTED]  
[REDACTED].

Absent from the meeting was [REDACTED]. A quorum existed throughout the meeting.

Also in attendance for portions of the meeting were [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] representing management.

[REDACTED], presided; [REDACTED], Vice President and Corporate Secretary, recorded.

A copy of the materials for the agenda items preceded with an asterisk (\*) had been sent to each Director prior to the meeting.

The meeting began in Executive Session.

### Outside Directors Session

As reported to Ms. [REDACTED] by [REDACTED], Presiding Director, the Outside Directors met to discuss matters related to the Company. Mr. [REDACTED] led these discussions. The Outside Directors also discussed matters related to [REDACTED]  
[REDACTED]

[REDACTED] by [REDACTED], Chairman of the Committee [REDACTED]  
[REDACTED]. The discussions included an evaluation of [REDACTED]  
[REDACTED]  
[REDACTED].

(At this point Mr. [REDACTED] joined the meeting.)

## Chairman's Discussion

As reported to Ms. [REDACTED] by Mr. [REDACTED], during the Chairman's Discussion, Mr. [REDACTED] provided updates and information to the Directors on various topics including, among others: preliminary 2011 full-year financial results; 2012 [REDACTED] outlook; talent management; [REDACTED] developments; investor sentiment, and roll-out of [REDACTED] campaign.

(At this point, Mr. [REDACTED] joined the meeting.)

Referring to materials distributed to the Directors in advance of the meeting, Mr. [REDACTED] led a discussion on the business landscape concerning potential opportunities for [REDACTED].

Mr. [REDACTED] and [REDACTED], discussed how each of the opportunities could potentially fit within or complement the Company's current business strategy. During the course of the discussion, Mr. [REDACTED] and Mr. [REDACTED] responded to various questions from Committee members.

(At this point, [REDACTED] joined the meeting.)

## \*Minutes – [REDACTED] and [REDACTED]

### Board of Directors Meetings

The minutes of the [REDACTED] and [REDACTED] meetings of the Board of Directors were approved.

## \*Strategic Plan Update [REDACTED]

Referring to materials provided in advance of the meeting, Mr. [REDACTED] reminded the Board that management would be providing periodic targeted updates on the 2012 to 2014 enterprise strategic plan. He noted that [REDACTED], head of the Company's [REDACTED] business, was present at the meeting to discuss the Company's [REDACTED] strategy and goals.

Mr. [REDACTED] began the discussion by describing the strategic objective of becoming the [REDACTED] by strengthening and growing the [REDACTED] business overall; developing [REDACTED]; and pursuing [REDACTED].

Next, Mr. [REDACTED] provided a summary of 2011 accomplishments for the [REDACTED] business, key learnings and business implications for the future. He reviewed targeted geographic markets and key 2012 priorities. Mr. [REDACTED] also discussed talent needs and the timeline for developing talent for this business segment.

Throughout the discussion, Mr. [REDACTED], Mr. [REDACTED] and other members of management responded to various questions from the Directors.

(Mr. [REDACTED] left the meeting, and Mr. [REDACTED] joined the meeting at this point.)

### \*Investor Relations Update

Referring to materials provided in advance of the meeting, [REDACTED], Vice President, Investor Relations provided a summary of the Company's investor conference held in [REDACTED]. He stated that the goals of the conference were to clarify the Company's strategy message and convey the focus on [REDACTED]; [REDACTED]; reiterate [REDACTED] priorities and clarify the financial impact of [REDACTED]; and showcase additional members of the Aetna management team. Mr. [REDACTED] noted that reaction to the conference was very positive based on investor and analyst feedback.

Next, Mr. [REDACTED] provided an overview of the Company's key financial metrics compared to [REDACTED] and the related investor perspective. He then discussed the Company's [REDACTED] strategy, which is to ensure [REDACTED].

Throughout the discussion, Mr. [REDACTED] responded to questions from the Directors.

(At this point, Mr. [REDACTED] left the meeting.)

(A lunch break was taken at 12:30 p.m. and the meeting reconvened at 12:45 p.m.

Joining the Directors when the meeting reconvened were [REDACTED].)

### Financial Update

Referring to materials distributed to the Directors at the meeting, Mr. [REDACTED] discussed key performance measures for the Company and its various business segments, comparing preliminary results for the quarter and year ended December 31, 2011 to planned results and competitive benchmarks, and commenting on significant financial metrics and variances. Mr. [REDACTED] and other members of management then responded to questions and comments from Directors.

Throughout this discussion, Mr. [REDACTED] responded to questions from the Directors.

\* [REDACTED] Update

A written report had been provided in advance of the meeting to update the Directors on the [REDACTED].

(Mr. [REDACTED] joined the meeting at this point.)

\* [REDACTED] Update

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Throughout the discussion, Mr. [REDACTED] and Mr. [REDACTED] and other members of management responded to various questions from the Directors.

(At this point, Mr. [REDACTED] left the meeting and Mr. [REDACTED] joined the meeting.)

\* Annual Review of [REDACTED]

Referring to materials provided in advance of the meeting, [REDACTED] began a discussion the Company's [REDACTED] strategy and operations. He provided a summary of the Company's [REDACTED] accomplishments in 2011 as well as major priorities for 2012. He noted that the [REDACTED] priorities are strategically aligned with the Company's key business objectives for 2012, and are intended to support the Company's position as a market leader. He commented on the [REDACTED], including the impact of the Company's recent [REDACTED].

Throughout this discussion, Ms. [REDACTED] and other members of management responded to questions from the Directors.

\* Litigation and Regulatory Update

[REDACTED] and General Counsel, provided an update on key litigation and regulatory matters involving the Company.

(The Directors, including Mr. [REDACTED], then commenced an executive session, and all members of management except [REDACTED] were excused from the meeting at this point.)

### Report of [REDACTED] Committee

[REDACTED], Chairman of the [REDACTED] Committee, reported on a meeting of that Committee held earlier today. (A copy of the agenda for that meeting was circulated to the full Board.)

### Report of Audit Committee

[REDACTED], Chairman of the Audit Committee, reported on a meeting of that Committee held yesterday. (A copy of the agenda for that meeting was circulated to the full Board.) Among other matters, he noted that the Committee had discussed with management an update on [REDACTED].

### Report of Committee on Compensation [REDACTED]

[REDACTED], Chairman of the Committee on Compensation [REDACTED], reported on a meeting of that Committee held yesterday. (A copy of the agenda for that meeting was circulated to the full Board.)

### Report of Nominating [REDACTED] Committee

[REDACTED], Chairman of the Nominating [REDACTED] Committee, reported on a meeting of that Committee held yesterday. (A copy of the agenda for that meeting was circulated to the full Board.)

### Committee Chair Rotation

Mrs. [REDACTED] noted that the Committee had discussed rotation of the Chair of the Committee [REDACTED] and recommended that the Board appoint [REDACTED] as Chair. After discussion and upon motion duly made and seconded, it was unanimously

VOTED: That [REDACTED] is hereby designated to serve as Chair of the Committee [REDACTED] of the Board of Directors of this Company effective [REDACTED] and until [REDACTED] successor is duly designated, unless this Board shall otherwise order.

### Report of [REDACTED] Committee

[REDACTED], Chair of the [REDACTED] Committee, reported on a meeting of that Committee held yesterday. (A copy of the agenda for that meeting was circulated to the full Board.)

(Ms. [REDACTED] was excused from the meeting at this point.)

## **Directors Session**

The Directors then met to discuss the Board meeting process and other matters.

There being no further business, the meeting was adjourned at 2:00 p.m.

\_\_\_\_\_

Corporate Secretary

# Appendix B: Nominating/Governance Committee Minutes

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A meeting of the [REDACTED] Governance Committee of the Board of Directors of [REDACTED] was held at 9:40 a.m. on Friday, [REDACTED] 2012, at the Company's offices located at [REDACTED], pursuant to the call of the Committee's Chairman, [REDACTED], and pursuant to notice duly given by the Corporate Secretary of the Company. (A copy of the Notice of Meeting has been filed with the records of this meeting.)

The following Committee members were present: [REDACTED]  
[REDACTED]. Absent from the meeting was [REDACTED].  
A quorum existed throughout the meeting.

Also in attendance were [REDACTED]  
[REDACTED].

At the request of [REDACTED], Chairman of the Committee, [REDACTED]  
[REDACTED], presided; [REDACTED], Vice President and Corporate Secretary, recorded.

A copy of the materials for the agenda items preceded with an asterisk (\*) had been sent to each Committee member prior to the meeting.

## **\*Minutes – [REDACTED]**

The minutes of the [REDACTED] and [REDACTED] meetings of the Committee were approved.

## **\*Director Candidates**

Ms. [REDACTED] updated the Committee on recent meetings between members of the Board and a potential Director candidate. It was agreed to defer further consideration of the candidate at this time. The Committee then discussed the criteria for potential candidates and discussed a process for enhancing the current candidate list. It was noted during the discussion that the current size and skill mix of the Board is appropriate.



# Appendix C:

## Compensation Committee Meeting Minutes

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A meeting of the Committee on Compensation [REDACTED] of the Board of Directors of [REDACTED] was held at 2:00 p.m. on Thursday, [REDACTED] 2011, at the corporate headquarters of the Company in [REDACTED], pursuant to the call of the Committee's Chairman, [REDACTED], and pursuant to notice duly given by the Corporate Secretary of the Company. (A copy of the Notice of the Meeting has been filed with the records of this meeting.)

The following Committee members were present for all or part of the meeting: [REDACTED]  
[REDACTED]  
[REDACTED]

A quorum existed throughout the meeting.

Also in attendance for portions of the meeting were [REDACTED]  
[REDACTED], representing [REDACTED] management; and [REDACTED]  
[REDACTED], independent compensation consultant to the Committee.

[REDACTED], Chairman of the Committee, presided; [REDACTED], Vice President and Corporate Secretary, recorded.

A copy of the materials for the agenda items preceded with an asterisk (\*) had been sent to each Committee member prior to the meeting.

The meeting began in Executive Session with Mr. [REDACTED], Ms. [REDACTED], and Ms. [REDACTED] present.

### **\*Talent Management**

As reported by Mrs. [REDACTED] to Ms. [REDACTED], during the Executive Session, the Committee discussed the Company's talent management life cycle and how it ties to the Company's strategy. The Committee also discussed the Company's leadership development framework. Mr. [REDACTED] discussed his assessment of certain key executives of the Company, including strengths and development goals.

Throughout the discussion, Mr. [REDACTED], Ms. [REDACTED], and Ms. [REDACTED] responded to questions from the Directors.

(Messrs. ██████████, and Ms. ██████████ joined the meeting and Ms. ██████████ left the meeting at this point.)

#### **\*Minutes**

The minutes of the ██████████, 2011 meeting were approved.

#### **\*Review of Year-to-Date Incentive Compensation Program Performance**

Mr. ██████████ and ██████████, Vice President, ██████████, reviewed with the Committee year-to-date performance on each of the annual bonus scorecard and 162(m) metrics for 2011. They then reviewed the annual bonus non-financial measures, including the ██████████ ██████████ indices. Mr. ██████████ next discussed performance against the targets and projected vesting for the 2011–2012 and 2010–2011 performance cycles for the ██████████ ██████████ and ██████████ programs.

Throughout the presentation, Mr. ██████████, Mr. ██████████ and other members of management responded to questions and comments from the Committee.

#### **\*Balanced Scorecard White Paper**

Referring to materials sent in advance of the meeting, ██████████ led a discussion of the use of balanced scorecards for annual bonus funding purposes. The report included a review of practices among the S&P 500 top 20 peer group and the Company's ██████████ peer group. Mr. ██████████ recommended that the Company continue to weigh the ██████████ scorecard ██████████ % on ██████████ ██████████ measures. He also recommended that the Committee continue to monitor market trends and reassess this balance in the future. It was agreed that it would be appropriate to refresh the data annually.

#### **\*Annual Bonus Funding and Award Process/Performance Ratings**

Mr. ██████████ reviewed the Company's annual bonus funding and individual performance rating process. He discussed the bonus pool funding process at the corporate, business unit, and individual level. He also reviewed the individual performance ratings used by the Company. It was agreed that the information should be shared with the full Board at its next meeting.

(Mrs. ██████████ left the meeting during the following discussion. In her absence, Ms. ██████████ acted as Chairman for the remainder of the meeting.)

## 2012 Long-Term Incentive Design

Mr. ██████ reviewed with the Committee certain design considerations for the 2012 long-term incentive program, including considerations for determining the vesting period and performance targets. There was then a general discussion of target setting and the length of the performance measurement period. It was agreed that this topic would be discussed further at the Committee's next meeting.

Next, Mr. ██████ reviewed the ██████ and ██████ long-term incentive programs, including objectives and principles.

Throughout the discussion, Mr. ██████, Mr. ██████, and Ms. ██████ responded to questions and comments from the Committee.

### \*Other Business

Mr. ██████ provided the Committee with an update on the Company's recently implemented ██████ program. Next, he noted that a report on the 2012 employee and retiree benefit program design had been provided in advance of the meeting. Mr. ██████ pointed out that the materials sent in advance of the meeting included reports on: the fees of the Committee's outside compensation consultant, ██████, the Company's ██████ Program for 2011; and ██████

Mr. ██████, Mr. ██████, Ms. ██████, and Ms. ██████ left the meeting at this point. Mr. ██████ left the meeting during the Executive Session.

### Executive Session

As reported by Ms. ██████, during the executive session the Committee continued its discussion of executive compensation matters.

There being no further business, the meeting was adjourned at 4:35 p.m.

██████████  
Corporate Secretary

# Endnotes

- 1 *In re Walt Disney Co. Derivative Litig.*, 906 A.2d 27, 48 (Del. 2006), *aff'g*, 907 A.2d 693, 756 (Del. Ch. 2005).
- 2 *Id.*
- 3 On the subject of debate, see Study Group on Corporate Boards, *Bridging Board Gaps: Report of the Study Group on Corporate Boards* (Weinberg Center for Corporate Governance and Columbia Business School, 2011).

# Strategic Content Partner Descriptions

## HEIDRICK & STRUGGLES

Heidrick & Struggles is the leadership advisory firm providing executive search and leadership consulting services. For almost 60 years, Heidrick & Struggles has built relationships with the world's most talented individuals on behalf of the world's most successful companies. Through the strategic acquisition, development, and retention of talent Heidrick & Struggles helps their clients—from established market giants to new market disruptors—build winning leadership teams. For more information, please contact Ted Dysart at [tdysart@heidrick.com](mailto:tdysart@heidrick.com).



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